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REGISTRATION NO. \_\_\_\_\_  
DEC 3 1973 - 1 00 PM  
INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT LEASE

THIS AGREEMENT dated as of January 1, 1972 by and between The Associates of the Jersey Company, a corporation of New Jersey, (hereinafter called "Associates") and George P. Baker, Richard C. Bond and Jervis Langdon, Jr., Trustees of the property of PENN CENTRAL TRANSPORTATION COMPANY, Debtor, (hereinafter called "Lessees").

W I T N E S S E T H:

1. Term

Associates agrees to lease to Lessees and Lessees agree to accept and use exclusively upon the terms and conditions herein set forth the cars described in the Schedule hereto, (hereinafter called "cars") and to pay Associates during the term of this Lease, for the use of each car, the rent set forth in Schedule A hereto.

The initial term of the Lease (hereinafter called the "initial term") as to each car shall commence on January 1, 1972 and shall terminate one year from the commencement date.

2. Successors

This agreement shall be binding upon the parties hereto, their respective successors, assigns and legal representatives.

3. Renewal

The term of this lease shall be extended for additional periods of one year on each anniversary of the commencement of the initial term unless either party terminates the lease upon written notice given ninety (90) days prior to the end of the then current one-year term. Rental during each renewal term of one year shall be the rental set forth in Schedule A hereto.

4. Lessees' Representations

Lessees represent and warrant that:

(i) Lessees, George P. Baker, Richard C. Bond and Jervis Langdon, Jr., have been duly appointed as Trustees of the property of Penn Central Transportation Company, Debtor, (hereinafter called the "Railroad") by an order of the United States District Court for the Eastern District of Pennsylvania; the appointment of said Trustees has been duly ratified by an order

of the Interstate Commerce Commission; and said Trustees are duly vested with the title to the properties of the Railroad and have the power and authority to carry on its business.

(ii) The rights of Associates as herein set forth and the title of Associates to the cars are free and clear of the lien, charge or security interest created by any mortgage, security agreement or other instrument binding upon the Railroad or Lessees.

(iii) No governmental authorizations, approvals or exemptions are required for the execution and delivery of this Lease or for the validity and enforceability hereof or for the leasing of the cars hereunder, for the rentals and for the other terms and conditions herein provided; or, if any such authorizations are required, they have been obtained and, if any such shall hereafter be required, they will be promptly sought.

(iv) No litigation or administrative proceedings are pending or, to the knowledge of Lessees, are

threatened against Lessees, the adverse determination of which would affect the validity of this lease or the rights of Associates hereunder.

(v) Obligations to make rental and other payments under this Lease will constitute expenses of, administration of Lessees, payable on a parity with other equipment obligations heretofore or hereafter assumed or incurred by Lessees; and, upon failure of the Lessees to pay the rent when due hereunder or any other default by Lessees in their obligations hereunder, any claim for damages will constitute an expense of administration.

#### 5. Payment

The Lessees agree to pay Associates the aforesaid per car charge on or before the last day of each calendar month, covering the rentals which shall have accrued during the immediately preceding calendar month, during the life of this agreement and until such time thereafter as all cars have been returned to Associates and all rentals therefor have been paid. Payment shall be made by mail to The Associates of the Jersey Company, 1310 Transportation

Building, Philadelphia, Pa. 19104, or such other place or places as may be directed in writing by Associates, and payment shall be effective when received by Associates.

6. Maintenance

Maintenance and repair of the cars shall be performed by the Lessees at their expense.

7. Destruction

If a car is destroyed or damaged beyond economical repair, the Lessees shall pay to Associates within 90 days after such occurrence the present worth, as hereinafter defined, of the total remaining rental for such car plus the Net Scrap Value, as hereinafter defined, of such car.

The present worth of the total remaining rental for such car, used in this Paragraph 7 shall mean an amount equal to such rental discounted at 7-3/4% per annum in accordance with the "Present Worth" tables in "Financial Compound Interest and Annuity Tables, Fourth Edition" published by Financial Publishing Company, Boston, Massachusetts, or any subsequent edition thereof, compounded monthly from the date of Lessees' payment of such liquidated damages to the

end of the eighth renewal as defined in Paragraph 3 hereof, regardless of whether the term of this Lease is extended pursuant to such Paragraph 3.

The Net Scrap Value of each car shall mean an amount in cash equal to the current quoted price per gross ton on No. 1 Heavy Railroad Melting Steel Scrap, prevailing at Chicago, Illinois, as published in 'Iron Age' or other reputable industrial journals on the date such damage occurred, multiplied by 43 in the case of a box car and 31 for a hopper car.

8. Liability

No liability shall attach to Associates for injury, damage or loss of any kind whatsoever in connection with the use of said cars, whether it be to persons or property, and the Lessees agree to hold Associates harmless from and against any claims or payments which Associates may be required to pay as a result thereof. Nothing contained in this Paragraph 8 shall be construed to release Associates from any claim or liability resulting from negligence of Associates.

9. Default

If the Lessees shall fail to perform or abide by any of its obligations hereunder for a period of sixty (60) days after receipt of notification thereof, Associates at its election may either (a) terminate this agreement immediately or (b) withdraw said cars from the service of the Lessees and deliver the same, or any thereof, to others upon such terms as Associates may see fit, and, in either case, the Lessees shall be liable to Associates for all rentals hereunder, less any rentals received by Associates from others for any of the cars.

10. Return of Cars

The Lessees agree to return said cars to Associates at a point on the Lessees' rails designated by Associates at the expiration of this agreement, as herein-after provided, free from all liens and charges whatsoever, in the same or as good condition, order and repair as received, ordinary wear and tear excepted, and with all the same kind and character of devices, appliances or appurtenances with which said cars were

equipped at time of delivery to the Lessees. However, the preceding sentence shall not be binding upon the Lessees for any car or cars which have been destroyed or damaged beyond economical repair during the life of this agreement, and which are referred to more specifically in Paragraph 7 hereof.

11. Marking

The Lessees shall cause both sides of each car to be distinctly, permanently and conspicuously marked by stenciling or by a metal plate affixed thereto, with the reporting marks and numbers set forth in Schedule A inclusive and with the following legend in letters not less than one inch in height:

THE ASSOCIATES OF THE JERSEY COMPANY  
CAMDEN, NEW JERSEY  
OWNER, LESSOR

The Lessees shall immediately replace any such marking which may be removed, destroyed or become illegible wholly or in part. Except for numbering and stenciling as provided herein, the Lessees



shall keep the cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by the Lessees or any other person, association or corporation other than Associates and will not change, or permit to be changed, the identifying road numbers on any of the cars; provided, however, that the Lessees may permit the cars to be lettered in some appropriate manner for convenience of identification of the interest of the Lessees or to indicate the nature of the service furnished thereby.

12. Assignment

Unless the written consent of Associates shall be first obtained, the Lessees shall not assign this lease or any of its rights or interests hereunder, nor permit any of Associates' rights or interests hereunder to become subject to any lien, charge, or encumbrance of any kind; provided that nothing therein contained shall prevent the Lessees from allowing the use of the cars by others upon railroad lines usual interchange of traffic; or subleasing the cars to

another railroad or corporation.

13. Recording

Lessees, without expense to Associates, will cause this lease and all amendments supplements and assignments hereof or thereof, to be duly filed and recorded and refiled and re-recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and this lease to be deposited with the Registrar General of Canada in accordance with Section 86 of the Railway Act (and notice of such deposit to be given in the "Canada Gazette" pursuant to said Section 86). Lessees will promptly furnish to Associates certificates or other evidences of such filing and recording and refiling and re-recording. In addition, Lessees shall do and perform all such other acts as may be required by law, or reasonably requested by Lessor, for the protection of Associates title to and interest in the cars.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

Attest:

H. N. Larkin  
ASSISTANT Secretary

THE ASSOCIATES OF THE JERSEY COMPANY

By H. J. Harrison  
President

Witness:

H. N. Larkin  
Assistant Secretary

GEORGE P. BAKER, RICHARD C.  
BOND, AND JERVIS LANGDON, JR.,  
Trustees of the property of  
PENN CENTRAL TRANSPORTATION  
COMPANY, DEBTOR

By W. J. Moore  
President

STATE OF NEW JERSEY

COUNTY OF CAMDEN

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SS:

On this *28<sup>th</sup>* day of *November*,

1973, before me personally appeared *F. J. GASPARINI*,  
to me personally known, who, being by me duly sworn, said  
that he is President of The Associates of the Jersey  
Company, that the seal affixed to the foregoing instru-  
ment is the corporate seal of said corporation, that  
said instrument was signed and sealed on this day on  
behalf of said corporation by authority of its Board of  
Directors, and he acknowledged that the execution of the  
foregoing instrument was the free act and deed of said  
corporation.

*Stella Galeja*  
*My Commission Expires 6/10/74*

COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF PHILADELPHIA )

SS: .

On this *27<sup>th</sup>* day of *November*,  
1973, before me personally appeared **W. H. MOORE**,  
to me personally known, who, being by me duly sworn, said  
that he is the President of the Trustees of the property  
of Penn Central Transportation Company, Debtor, that the  
foregoing instrument was signed on this day by him on behalf  
of and by authority of the Trustees of the property of Penn  
Central Transportation Company, Debtor, and he acknowledged  
that the execution of the foregoing instrument was the free  
act and deed of said Trustees.

*Vincent F. Stamato*

VINCENT F. STAMATO

Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires October 4, 1976

SCHEDULE A

<u>Cars</u>	<u>Description</u>	<u>Lessees'</u> <u>Car No.</u>	<u>Monthly</u> <u>Rents</u> <u>Payment</u> <u>Per Car*</u>
23	60'9" 100-ton Box Cars	PC88977 through PC88999, both inclusive	\$166.56
30	100-ton Covered Hopper Cars	PC260091 through PC260120, both inclusive	\$113.25

\* The monthly rental shown is applicable to the initial term and each renewal term.

8281

NOTICE OF ASSIGNMENT

This is to advise that, effective April 1, 1976,  
12:01 a.m., the Financing Agreement described below has  
been assigned to the Consolidated Rail Corporation by the  
Trustees of: Penn Central Transportation Company  
Six Penn Center Plaza  
Philadelphia, PA 19104

The Financing Agreement is a Lease Agreement  
, dated 1/1/72  
bearing the ICC recordation number 7254  
The payee's name and address is:

Associates of the Jersey Company  
22 Federal Street  
Camden, New Jersey

This Notice of Assignment has been placed in the  
file of the ICC recordation number listed above and the entire  
assignment is contained in the ICC recordation file stamped  
in the margin of this assignment. A copy hereof will be  
promptly mailed to the payee listed above for distribution  
to the beneficial holder(s) of the Financing Agreement described  
in this Notice of Assignment.

Consolidated Rail Corporation